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Contact: Heather Throne, (517) 373-1104 or throneh@michigan.gov

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Michigan Leaders Propose Comprehensive Strategy to Expand Alternative Energy Industry

LANSING - The Michigan Renewable Fuels Commission today presented Governor Jennifer M. Granholm and members of the Joint House and Senate Agriculture Committee with a report on how to accelerate development of Michigan's biofuels industry. The commission, which was created through Public Act 272 of 2006 as part of the state's aggressive efforts to promote renewable energy, made a series of recommendations, including financial incentives, exploration of new funding sources and government streamlining.

"Michigan has all the necessary elements to build a thriving alternative energy economy and Governor Granholm is committed to strengthening and supporting each critical part of this sector-production, distribution and consumption," said Mitch Irwin, Michigan Department of Agriculture Director and chair of the commission. "This comprehensive report provides decision makers with sound recommendations for taking Michigan to the next level of development."

The commission, comprised of 27 individuals with broad interests and expertise, conducted a thorough review of the obstacles and opportunities in the production, distribution and use of renewable fuels. As a result, it offered 42 recommendations for stimulating growth in the biofuels sector. Among them:

- * Providing a \$200 million incentive package for developers of early-stage technology projects and processing centers; and exploring or developing new fund sources, including federal grants and non-earmarked revenue generated from state-owned oil, gas and forest reserves.
- * Establishing Regional Biomass Processing Centers to facilitate commercialization of various feedstocks for renewable fuels production.
- * Creating a "Green Retailers" tax incentive program to reward retail and wholesale outlets that reach benchmarks in the sale of biofuels.

The seven-bill package which established the Michigan Renewable Fuels Commission also reduced the tax on fuel that contains ethanol by 36 percent and by 20 percent on biodiesel blends, provided grants to service station owners who renovate or expand their existing stations to make E-85 and biodiesel available, and allowed for the creation of new agriculture renaissance zones to help spur additional ethanol and biodiesel plants.

More information on the Michigan Renewable Fuels Commission and its recommendations is available at <http://www.renewablefuelscommission.org>.

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